

**MINUTES OF THE  
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT  
July 18, 2003 Meeting**

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<b>Members Present:</b>	David Simmons, Mark Howell, Debra Tanzi, Alan Ashton, Bill Boyle, Barbara Zimonja, Ed Ekstrom, Joel Bradford, Jerry Oldroyd, Richard Nelson, Cliff White
<b>Members Absent:</b>	Kenneth Woolley, Karen Alvey, Dell Loy Hansen, Shelli Gardner, Ted Smith
<b>Visitors:</b>	Brice Wallace, Deseret News; Cliff Doner, Salt Lake Convention & Visitors Bureau
<b>Staff:</b>	David Harmer, Jeff Gochnour, Dick Bradford, Brian Farr, Cathy Rawstorne, Ron Richins, Mark Renda, Rod Linton, Lisa Howe, Tamee Roberts, Todd Hauber, Tracie Cayford, Leigh von der Esch, Marian Hein, Stan Nance, Dave Douglass, Chris Bowler, Inge Krogue, Emily Sang, Kelly Day, Franz Kolb

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**Welcome and Approval of Minutes**

David Harmer announced a few changes with the DBED Board membership. David Simmons has been appointed as Chairman of the Board and Dell Loy Hansen will now become Vice Chairman. Alan Ashton is rotating off the Board. Mr. Ashton has served eight years on the DBED Board and has now been asked by Governor Leavitt to serve on the State Retirement Board. Chairman Simmons presented a gift on behalf of the Board and department to Mr. Ashton for his tremendous service over the past eight years. Mr. Harmer introduced Clifford White to the board members who will be replacing Mr. Ashton. All other positions on the Board were reappointed to another four-year term.

**MOTION:**       **Mark Howell moved to approve the May 16 and July 1, 2003 minutes as submitted. Ed Ekstrom seconded the motion and all favored it passing. Motion carried.**

**Business.utah.gov Portal Presentation**

Tracie Cayford and Vicki Bird presented a new business web-site to the Board. The site is essentially the whole lifecycle of a business from starting a business, to relocation or expansion, to going out of business and is available 24 hours a day with live customer service. One of the main functions of the site is the one-stop business registration, which allows you to register a business on the state, city and local levels simultaneously; a service no other state can provide. Governor Leavitt will officially launch the site at a press conference on August 5, 2003 and all the board members were invited to attend.

**Salt Lake Convention & Visitors Bureau / Outdoor Retailers Convention Update**

Cliff Doner, Executive Vice President and CFO of the Salt Lake Convention & Visitors Bureau, briefed the board on issues surrounding the upcoming Outdoor Retailers Convention (ORC) and asked the board for any suggestions. Other states are currently offering major incentives to entice the ORC out of holding its bi-annual conferences in Utah. The ORC has indicated that Utah needs to step up to the plate and one way we can help is to offset the \$500,000 cost of the 60,000 sq. ft. overflow tent. The tradeoff ORC has offered is that if Utah can come up with something compelling to offset the tent cost in the short term, they will give us a longer term commitment and will also consider bringing some additional shows to Salt Lake. In a recent USU survey, during the 2000 OR summer conference, \$11.8 million was spent in Utah, which generated about \$580,000 in sales tax revenue for the state. Chairman Simmons stated that we are certainly supportive and if there is something concrete we can do as an economic development board to be of assistance, we ought to try to do it.

**Report on Project Olympus**

Marian Hein briefed the board on Project Olympus, a large manufacturing project the state is currently working on for a site consultant out of South Carolina. The consultant sent a 30 page document containing all the technical requirements of the project and the state responded with a proposal the last week of June. The company is looking for a 200 – 300 acre site with runway access and an addition 200 – 300 acres of land surrounding that for addition manufacturing companies that would locate to support the company. Jeff Gochnour has been in contact with the site consultant and they are in the process of reviewing all the proposals. The company hopes to make a 1<sup>st</sup> round decision by August 1, 2003. David Harmer added that without HB 316, Utah wouldn't be in the running for this project. The company already has a small facility here.

### **Industrial Assistance Fund Applications**

David Simmons reported that the IAF Subcommittee discussed the issue of financial statements policy. In the past, most of the action taken in the IAF had been based upon making a loan to the company that could be repaid through earned credits, primarily from job creation. In the last several years we have shifted to a policy of advancing the funds only after the company has met its performance requirements, which has greatly reduced the state's financial risk. Financial information submitted by companies is not public information. It was suggested that the policy requiring financial statements be put on the applications so that companies are aware of the policy.

Mr. Simmons reported that The Board approved an incentive loan to Malt-O-Meal in March 1998 for \$750,000 for the creation of 300 jobs. Subsequent to the commitment, Malt-O-Meal constructed the plant facility and acquired equipment for three cereal processing lines but elected not to operate the plant in Utah. The 1998 Board commitment was a bona fide incentive to attract Malt-O-Meal to Utah. Because of the economy, Malt-O-Meal never began operations in Utah and the Board's offer was withdrawn. Malt-O-Meal is now looking to begin operations at the Tremonton plant. They will begin with two lines and could expand to four lines. They will initially hire 70 employees. The IAF Committee felt that they should reinstate the prior offer as a measure of good faith. The company will have a positive economic impact on the Tremonton area.

**MOTION:**      **Richard Nelson moved to approve a maximum performance-based disbursement to Malt-O-Meal of \$2,500 per employee position, for a maximum incentive of \$625,000 for 125 new full-time employee positions over the next 5 years with a salary meeting or exceeding 125% of the Box Elder County median wage. The Board extends an exception to its policy for the submission of full financial statements and accepts the submission of the company's balance sheet only. The company must commit to keep operations in Utah for five years. Ed Ekstrom seconded the motion and asked that the motion be amended based on getting their financials. The motion passed unanimously.**

### **Subcommittee Reports**

- Deb Tanzi announced that the Rural Summit will be held in Cedar City on August 6 – 8, 2003. The focus this year is on planning with little emphasis on economic development but does provide a good opportunity to network with the attendees.
- Ed Ekstrom reported that some of the Best Practices Committee members have come up with a model; however, he will wait to present it to the board until he has had a chance to meet with the whole committee.
- Chairman Simmons stated that as a Board, we recognize that Ken Woolley was honored as the Master Entrepreneur of the Year by Ernst & Young and participating sponsors. He congratulated him on behalf of the DBED Board and division.

### **Division Report**

Jeff Gochnour gave the following report on DBED Activities:

- Uinta River Technologies, an 8(a) company, was awarded a \$5 million contract from HAFB, which is exciting news for that program and means great things for the Ute Reservation and the Ute Tribe.
- We continue on the implementation of legislation that was passed this last session on HB 240, the Venture Capital Investment Act. The steering committee has been working diligently to push that forward and has made great progress in identifying board members. The biggest issue right now is that the state auditors have a concern about a state entity setting up a for profit corporation to oversee these investments. We have come up with a solution which is to basically to put out a RFP to anyone who wants to apply to fill that position and serve that purpose. However, that will entail a special legislative session and we've made the request of the governor's office and are waiting to hear back on when that might occur. We are hopeful that it may be in the next couple of months and not pushed off towards the general session.

**MOTION:**      **Ed Ekstrom moved that by way of resolution that we send a letter to the governor's office that we need a special session to get this thing moving. Joel Bradford seconded the motion and all favored it passing.**

- Henrique DiAgostini from our International Business Development Office just completed a very successful trade mission to Brazil. Mr. DiAgostini helped organized 96 meeting for the nine Utah companies that participated in the Trade Mission.
- Potential upcoming trade missions include London, Brussels and the Hague in the fall; Berlin in the winter; and, Asia in the spring. Details will be forth coming.

### **August 15, 2003 Proposed Agenda Items**

- Update on HB 240

### **Other Business**

With there being no further business, the following motion was made:

**MOTION:**      **Barbara Zimonja moved to adjourn the meeting with a second from Debra Tanzi. Motion carried.**